



EPRA



**Ground Rules for the Management of the
FTSE EPRA/NAREIT Global Real Estate Index Series®**

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Table of Contents

1. Introduction	3
2. Nationality	4
3. Status of Real Time Indices	5
4. Algorithms and Calculation Methods	6
5. Eligibility Criteria	8
6. Qualification Criteria & Periodic Review of Constituents	10
7. Changes to Constituents Companies	14
8. Management Responsibilities	17
Appendices	21
Contact Us	51

1. Introduction

- 1.1.** This document sets out the Ground Rules for the Management of the FTSE EPRA/NAREIT Global Real Estate Index Series. Copies of the Ground Rules are available from FTSE.
- 1.2.** The FTSE EPRA/NAREIT Global Real Estate Index Series is designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.
- 1.3.** The FTSE EPRA/NAREIT Global Real Estate Index Series provides investors with a comprehensive and complementary set of indices which range from regional and country indices, Dividend+ indices, Investment Focus indices and a REITs and Non-REITs series. The index series is designed to reflect the stock performance of companies engaged in specific aspects of the major real estate markets/regions of the world - Americas, EMEA (Europe, Middle East and Africa) and Asia.

The Global Real Estate market is defined in *Appendix 1*.

1.4. Index construction methodology

The FTSE EPRA/NAREIT Global Real Estate Index Series includes the indices which can be grouped into global, regional and specialist.

A breakdown of the indices within the series is defined in *Appendix 2*.

- 1.5.** Two values for each index are calculated: (1) a capital return and (2) a total return. A net total return value is also calculated for a number of indices. The net dividend is calculated by deduction of withholding taxes (and other relevant taxes), applying the rate applicable to Non-resident individuals who do not benefit from double taxation treaties. Withholding tax rates applicable to Luxembourg holding companies are used (see *Appendix 3* for an overview of the tax rates applied).
- 1.6.** The main calculation currency is the Euro although the indices are also calculated in US Dollar, British Sterling and Japanese Yen on an end-of-day basis. The FTSE EPRA/NAREIT Pure Australia Index is also calculated in Australian dollars. The main calculation currency for the FTSE EPRA/NAREIT Developed Asia 33 Index is Hong Kong Dollars.

2. Nationality

- 2.1. A company will be allocated to a single country and this allocation shall be consistent with all other FTSE indices.
- 2.2. FTSE will normally allocate each company to the country in which the company is incorporated and listed at the time of the company's listing. However, FTSE reserve the right to defer an allocation decision.
- 2.3. If a company is incorporated in a developed country, and solely listed in another developed country, FTSE will normally allocate the company to the country of listing.
- 2.4. In circumstances other than those described above, FTSE will make a recommendation to the Nationality Committee (NC) who will decide a company's country allocation based on the following considerations:
 - a) If a company is incorporated in a country other than a World country and is solely listed in another country: the NC will normally allocate the company to the country of listing. However, the NC may also take other factors into account including, but not limited to, the investor protection regulations under which the company is governed, the country in which the company is resident for tax purposes, market perception and currency of trading.
 - b) If a company is incorporated in a country represented by a FTSE index and has multiple listings: the NC would normally decide on its inclusion in the country of listing where it is most liquid. However, the NC may also take into account factors including, but not limited to, the country in which the company is resident for tax purposes, market perception and currency of trading.
 - c) If a company is incorporated in a country not represented by a FTSE index and has multiple listings: the NC would normally decide on its inclusion in the country of listing where it is most liquid. However, the NC may also take into account factors including, but not limited to, the investor protection regulations under which the company is governed, the country in which the company is resident for tax purposes, market perception and currency of trading.
- 2.5. The NC will decide the country allocation of each company on its merits having regard to its particular circumstances.
- 2.6. The country allocation of any FTSE index constituents may be reassessed at any time at FTSE's discretion.
- 2.7. An appeal against a decision of the NC can only be made to the FTSE Policy Group.

3. Status of Real Time Indices

3.1. The FTSE EPRA/NAREIT Global Real Estate indices that are calculated in real time (see *Appendix 2*) are made available with one of the following designations:

a) **Firm**

i. The indices are active and being calculated during Official Market Hours using prices on the eligible exchanges. No message will be displayed against the index value.

ii. The Official Closing Prices for the indices are described in *Appendix 4*.

b) **Closed**

The indices have ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE.

c) **Held**

During Official Market Hours, an index has exceeded pre-set operating parameters, and the calculation has been suspended pending resolution of the problem. The message 'HELD' will be displayed against the last index value calculated by FTSE.

d) **Indicative**

If there is a system problem or situation in the market that is judged to affect the quality of the constituent prices at any time when an index is being calculated, the index will be declared indicative (e.g., normally where a 'fast market' exists in the equity market). The message 'IND' will be displayed against the index value calculated by FTSE.

4. Algorithms and Calculation Methods

4.1. Prices

- 4.1.1. The FTSE EPRA/NAREIT Global Real Estate Index Series uses actual closing mid-market or last trade prices, where available, for securities with local bourse quotations, as detailed in *Appendix 4*.
- 4.1.2. Reuters' real time exchange rates are used in the index calculations which are disseminated in real-time. Exchange rates used in the End-of-Day calculations are WM/Reuters Closing Spot Rates™, collected at 16:00 hrs London time (see *Appendix 5*). Exchange rates used in the End-of-Day calculations of the FTSE EPRA/NAREIT Developed Asia 33 Index are Reuters Spot Rates™, collected at 09:00 hrs London time (see *Appendix 5*).

4.2. Shares in Issue

- 4.2.1. For the purposes of computing the FTSE EPRA/NAREIT Global Real Estate Index Series, the number of shares in issue for each constituent security is expressed to the nearest share and, to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will be made quarterly after the close of business on the third Friday of March, June, September and December.
- 4.2.2. If a corporate action is applied to an index constituent that involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.
- 4.2.3. If accumulated changes in the number of shares in issue add up to 10% or more, or when an accumulated share change represents USD 2bn of a company's total market capitalisation, they are implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates will be used to convert the market capitalisation into USD. The USD 2bn threshold may be adjusted annually in December, by the FTSE Equity Indices Committee. If an adjustment is made, it will be applied for the first time at the next review in March of the following year.
- 4.2.4. Any exceptions to paragraphs 4.2.1 – 4.2.3 will be agreed with the Chairman of the relevant Supervisory and Regional Committees and all users will be notified in advance of being implemented.
- 4.2.5. All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

4.3. Calculation frequency

- 4.3.1. Please see *Appendix 6* for the calculation schedule for the FTSE EPRA/NAREIT Global Real Estate Index Series.

4.4. Algorithm

- 4.4.1. The FTSE EPRA/NAREIT Global Real Estate Index Series is calculated using the chained Paasche methodology.
- 4.4.2. The performance of the FTSE EPRA/NAREIT Global Real Estate Index Series on a given day is determined by calculating the percentage difference between:
- the index's market capitalisation as at the close of that day and
 - the market capitalisation at the start of that day

"Start of the day" is defined as the previous day's close adjusted for capital changes, investability weight changes, additions and deletions.

- 4.4.3. Adjustments are applied whenever capital changes take place, so that the performance of the FTSE EPRA/NAREIT Global Real Estate Index Series reflects the experience of investors. *The Guide to Calculation Methods* – available from FTSE (see 'Contact Us') - contains descriptions of the statistical procedures and algorithms used in the compilation of the Index Series.

5. Eligibility Criteria

- 5.1.** The FTSE EPRA/NAREIT Global Real Estate Index Series includes only real estate securities that are traded in one of the listed countries see *Appendix 1*. The company must be listed on an official stock exchange listed in *Appendix 7*.
- 5.2.** The initial universe of companies is defined by the Real Estate associations. The starting universe is then approved by the relevant regional committee.
- 5.3.** Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.
- 5.4.** Real estate companies must have derived, in the previous full financial year, at least 75 percent of their total EBITDA from relevant real estate activities.
- 5.5.** The construction and development of residential homes for sale is considered relevant real estate in Emerging Markets, Developed Asia and Developed Europe, if, (a) or (b) are satisfied.
- (a) In the previous full financial year, at least 50 percent of EBITDA was earned from relevant real estate activities.
- (b) At least 50 percent of the company's gross assets, according to an independent valuation, was accounted for by real estate other than land held for the development of homes for sale.
- 5.6.** The following are not considered relevant real estate activities:
- a) The financing of real estate;
- b) The provision of construction management, general contracting and project management services;
- c) The provision of property management, facilities management, brokerage, investment management funds and services.
- d) Holding companies are excluded from the index. Holding companies are defined as companies that have more than 50 percent of their net assets invested in the securities of other listed companies.
- e) Companies for which the ownership of real property is incidental to the primary revenue generating activities, including those companies in the gaming, theme park and other entertainment businesses.
- 5.7.** The constituents of the FTSE EPRA/NAREIT Global Real Estate Index Series are required to meet all of the following criteria where applicable:
- a) A company is only included in the FTSE EPRA/NAREIT Global Real Estate Index Series if it provides an audited annual report in English. This is defined as a current set of accounts in English consisting of a profit and loss statement, a balance sheet, directors' review and full notes to the accounts.
- b) If a company newly introduces accounts in English it becomes eligible for the indices at the next quarterly review, providing it meets all other index inclusion criteria.

- c) If a company discontinues the production of accounts in English (rule 5.7 a) it becomes ineligible for the indices at the next quarterly review.
- d) If a company meets the EBITDA criteria based on its latest annual accounts (rule 5.7a), it becomes eligible for the indices at the next quarterly review, providing it meets all other index inclusion criteria.
- e) If a company fails the EBITDA criteria (see section 5.4), it becomes ineligible for the indices at the next quarterly review.

See *Appendix 10* for the Eligibility Criteria of Speciality Indices.

6. Qualification Criteria & Periodic Review of Constituents

6.1. Review Dates

- 6.1.1. The FTSE EPRA/NAREIT Global Real Estate Index Series is reviewed on a quarterly basis in March, June, September and December. The meetings to review the constituents will be held on the Thursday following the first Friday of March, June, September and December. The review is based on data as at the close of business on the last trading day of February, May, August and November.
- 6.1.2. Any constituent changes resulting from the periodic review will be implemented at the close of business on the third Friday of March, June, September and December. Subsequent adjustments in stock weightings (including free float) will become effective at the same time.
- 6.1.3. Details of the outcome of the quarterly review of constituents for the FTSE EPRA/NAREIT Global Real Estate Index Series will be announced as soon as possible after the quarterly committee meeting has concluded.

6.2. Review Process

- 6.2.1. The rules for inserting and deleting securities at the quarterly reviews are designed to provide stability in the selection of constituents of the FTSE EPRA/NAREIT Global Real Estate Index Series while ensuring that the indices continue to be representative of listed real estate markets by including or excluding those securities which have risen or fallen significantly in value or those companies whose eligible real estate activities have appreciably grown or diminished.
- 6.2.2. All companies that satisfy Ground rules 5.1 to 5.7 are eligible for inclusion in the FTSE EPRA/NAREIT Global Real Estate Index Series subject to the three screens detailed below.

6.3. Size Rule

- 6.3.1. The size rule of the FTSE EPRA/NAREIT Global Real Estate Index Series is a relative measure that is expressed as a percentage of the regional index market capitalisation (after the application of investability weightings). Companies that currently are not members of the Index Series are required to meet a basis points threshold for inclusion that is higher than the basis points threshold set for exclusion of existing constituents. The aim of these different size thresholds is to provide a degree of stability in the composition of constituents of the FTSE EPRA/NAREIT Global Real Estate Index Series while ensuring that the Index continues to be representative of the market by including or excluding those companies whose market capitalisation has grown or diminished significantly. The size thresholds are expressed in basis points and are highlighted below.

6.4. Additions to the Index Series

At the quarterly review, non-constituents that have an investable market capitalisation (after the application of investability weightings) equal to or greater

than the following basis points of their respective regional index will be eligible for index inclusion:

Developed Markets

a) Asian Stocks	0.30%
b) EMEA Stocks	0.10%
c) North American Stocks	0.10%

Emerging Markets

a) Asian Stocks	0.20%
b) EMEA Stocks	0.30%
c) Americas Stocks	0.30%

AIM Market

a) AIM Stocks	1.50%
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If a security being considered for addition to the FTSE EPRA/NAREIT Global Real Estate Index Series at the quarterly reviews in March, June, September or December failed the liquidity test at the previous annual review it shall be ineligible for addition until the next annual review.

6.5. Deletions from the Index Series

At the quarterly review, an existing constituent of the FTSE EPRA/NAREIT Global Real Estate Index Series is deleted from the Index Series if it has an investable market capitalisation (after the application of investability weightings) of less than the following basis points in their respective region:

Developed Markets

a) Asian Stocks	0.15%
b) EMEA Stocks	0.05%
c) North American Stocks	0.05%

Emerging Markets

a) Asian Stocks	0.10%
b) EMEA Stocks	0.15%
c) Americas Stocks	0.15%

AIM Market

a) AIM Stocks	0.75%
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6.6. Liquidity

- 6.6.1. FTSE will screen for liquidity on an annual basis in March. Each security will be tested for liquidity by calculation of its median daily trading per month. The median trade is calculated by ranking each daily trade total and selecting the middle ranking day. Daily totals with zero trades are included in the ranking; therefore a security that fails to trade for more than half of the days in a month will have a zero median trade.

- a) Non-constituent securities which do not turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in ten of the twelve months prior to a full market review, will not be eligible for inclusion in the Index Series.
- b) An existing constituent failing to trade at least 0.04% of its shares in issue (after the application of any investability weightings) based on its median daily trade per month for more than four of the twelve months prior to a full market review will be removed.
- c) New issues which do not have a twelve month trading record must have a minimum three month trading record when reviewed. They must turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in each month since their listing. This rule will not apply to new issues added under the Fast Entry Rule (see rule 7.2)

6.6.2. New issues which do not qualify as entrants as defined in rule 7.3.1 will become eligible for inclusion at the next quarterly review providing they trade a minimum of 20 days. They must turnover at least 0.05% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month in each month since their listing. New issues will have their liquidity assessed on a pro-rata basis.

See Appendix 10 for Liquidity rules for the FTSE EPRA/NAREIT AIM Index.

6.7. Free Float

6.7.1. The FTSE EPRA/NAREIT Global Real Estate Index Series are adjusted for free float, cross-holdings and foreign ownership limits.

- a) Free float restrictions include:
 - trade investments in an index constituent either by another constituent (i.e., cross-holdings) or by a non-constituent company or entity
 - significant long term holdings by founders, their families and/or directors
 - employee share schemes (if restricted)
 - government holdings
 - foreign ownership limits
 - portfolio investments subject to a lock-in clause, for the duration of that clause
- b) The following are not considered as restricted free float:
 - portfolio investments
 - nominee holdings (including those supporting ADRs & GDRs) unless they represent restricted free float as defined above
 - holdings by investment companies
- c) Bands for initial weighting

Free float restrictions will be calculated using available published information. The initial weighting of a constituent in the index will be applied in the following bands:

i) free float less than, or equal to 15%	=	0%
ii) free float greater than 15%, but less than or equal to 20%	=	20%
iii) free float greater than 20%, but less than or equal to 30%	=	30%
iv) free float greater than 30%, but less than or equal to 40%	=	40%
v) free float greater than 40%, but less than or equal to 50%	=	50%
vi) free float greater than 50%, but less than or equal to 75%	=	75%
vii) free float greater than 75%	=	100%

d) A security that has a free float greater than 5% but less than or equal to 15% will be eligible for the index providing the security's full market capitalisation (before the application of any investability weight) is greater than USD 2.5bn.

e) Changes in free float

The FTSE EPRA/NAREIT Global Real Estate Index Series will be periodically reviewed for changes in free float. These reviews will coincide with the quarterly reviews undertaken by the FTSE EPRA/NAREIT Regional Index Advisory Committees. Implementation of any changes will happen at the close of business on the third Friday in March, June, September or December.

f) Corporate events and actions

If a corporate event includes a corporate action which affects the index, any change in free float will be implemented at the same time as the corporate action. If there is no corporate action, the change in free float will be applied as soon as possible after the corporate event.

g) Percentage point thresholds

Following the application of an initial free float restriction, a constituent's free float will only be changed if its actual free float moves to more than 5 percentage points above the minimum or 5 percentage points below the maximum of an adjacent band.

This 5 percentage point threshold does not apply if the change is greater than one band i.e., a movement of 10 percentage points for the bands between 20% and 50% and 25 percentage points for the bands between 50% and 100% will not be subject to the 5 percentage point threshold.

h) Foreign ownership

Foreign ownership limits, if any, will be applied after calculating the actual free float restriction, but before applying the bands detailed in rule 6.7.1.C. If the foreign ownership limit is more restrictive than the free float restriction, the precise foreign ownership limit is applied.

If the foreign ownership limit is less restrictive or equal to the free float restriction, the free float restriction is applied, subject to the bands in rule 6.7.1.C.

See Appendix 10 for Qualification Criteria & Periodic Review of Constituents of Specialist Indices.

7. Changes to Constituent Companies

7.1. Impact of changes to constituents

7.1.1. The composition of the universe on which the FTSE EPRA/NAREIT Global Real Estate Index Series is based may change as a result of decisions or events which affect one or more of the constituent securities.

7.2. Fast Entry Level

7.2.1. A new issue that has an investable market capitalisation (after the application of any investability weightings) equal to or greater than the following basis points for its respective region will be included in the FTSE EPRA/NAREIT Global Real Estate Index Series after the close of business on the first day of trading. The basis points cut-off will be taken five days prior to the potential entry.

a) Asia-Pacific:	Developed Asia-Pacific	0.40%
	Emerging Asia-Pacific	0.40%
b) EMEA:	Developed EMEA	0.20%
	Emerging EMEA	0.60%
c) Americas:	Developed Americas	0.15%
	Emerging Americas	0.60%

There will be no fast entry rule for the FTSE EPRA/NAREIT AIM index.

7.3. Additions outside of a review

7.3.1. A stock will be added to the list of constituents of an existing country outside a review when:

- a) In the case of a new security, its investable market capitalisation (after the application of any investability weightings) is greater than the Fast Entry Level for the relevant region (see rule 7.2.1). The addition of a new security to the index will be implemented after the close of business on the first day of trading.
- b) In the case of a security which does not qualify as an immediate fast entrant to the index, it will be re-considered for inclusion at the subsequent regularly scheduled meeting of the FTSE EPRA/NAREIT Regional Index Advisory Committees.
- c) In the case of a demutualisation where upon listing the entire free float of a newly eligible security is immediately transferred to private shareholders the addition of the security will be deferred for one month after trading has commenced - provided that adequate liquidity (as defined under Rule 6.6) is demonstrated to the FTSE EPRA/NAREIT Regional Index Advisory Committee at this time.

- d) In the case of a constituent company that is split and forms two or more companies by issuing new equity to existing shareholders, then the resulting companies will be eligible to continue as constituents in the same benchmarks within the FTSE EPRA/NAREIT Global Real Estate Index Series as their predecessor company if they continue to satisfy Ground Rules 6.3 to 6.7.

7.4. Deletions

- 7.4.1. A stock will be deleted from the list of constituents when:

The constituent is delisted from its stock exchange, enters bankruptcy, becomes insolvent or is liquidated.

- 7.4.2. Deletion on the effective date

If an existing constituent is acquired for cash or ineligible paper or by a non-quoted company in its own or another country, then the existing constituent is deleted on the effective date of the acquisition.

- 7.4.3. Deletion after confirmation

Constituents will be deleted from the index when confirmation is received that acceptance levels have reached a minimum of 85% and that any new shares of the bidding company (if applicable) are listed (exceptionally, for constituents of the U.K. index, the qualifying announcement is that the offer has been declared wholly unconditional). A company deleted following a takeover, with a remaining free float of 15% or less, will not be re-considered for index inclusion until completion of a one year trading record.

- 7.4.4. Deletions reconsidered for inclusion

Constituents which are deleted, but which continue to trade will be considered for re-inclusion in the index at the next review, subject to Ground Rules 6.3 – 6.7 and that at least 6 months has passed between deletion and the proposed implementation date of the country review.

7.5. Mergers and Take-overs

- 7.5.1. Mergers between constituents

If an existing constituent is acquired for eligible shares (or a combination of eligible shares and cash) by another constituent, then the existing constituent is deleted on the effective date of the acquisition. The enlarged company remains a constituent of the same benchmarks within the FTSE EPRA/NAREIT Global Real Estate Index Series as the acquiring company.

- 7.5.2. Mergers between a constituent and non-constituent

If an existing constituent is acquired for eligible shares (or a combination of eligible shares and cash) by a quoted non-constituent, then the purchasing company is added to the same benchmarks within the FTSE EPRA/NAREIT Global Real Estate

Index Series as the acquired company on the effective date of the acquisition, if eligible in all other respects. The existing constituent is deleted on the same date.

7.6. Spin-offs

In the event that a company included in the FTSE EPRA/NAREIT Global Real Estate Index Series is split, the securities resulting from the split, including the original security where appropriate, will continue to be included in the relevant indices should they both meet the criteria under Rule 5. If the total post-market capitalisation of the stocks resulting from the split differs from the pre-market capitalisation of the original stock, the divisor of the index is adjusted. If the securities resulting from the split do not meet the criteria under Rule 5, they will be removed from the index.

7.7. Suspension of Dealing

- 7.7.1. If a constituent is the subject of a suspension, it may remain in the indexes at the price at which it is halted for up to 10 business days. During this time, EPRA, NAREIT and FTSE may, following advice from the relevant Regional Index Advisory Committee (See Ground Rule 8) agree to delete the constituent immediately either at its trading halt price, or at zero.
- 7.7.2. Where a suspension of a constituent lasts beyond noon on the tenth business day (and the option to remove the constituent has not been exercised), the constituent will normally be deleted from the indexes on the eleventh trading day at zero or the trading halt price. Where the trading halt is for a reason not to the detriment of the constituent, EPRA, NAREIT and FTSE may decide, following advice from the relevant Regional Index Advisory Committee, to retain or remove the stock at its trading halt price.
- 7.7.3. A company, whose trading halt is lifted after it has been removed from an index, will be reviewed for index eligibility at the next quarterly review.

See *Appendix 10* for Changes to Constituents of Speciality Indices.

8. Management Responsibilities

8.1. The management of FTSE acts as the compiler of the FTSE EPRA/NAREIT Global Real Estate Index Series. The FTSE EPRA/NAREIT Global Real Estate Index Series Supervisory Committee and Advisory Committees act as advisory bodies for the compiler when changing these rules.

8.2. FTSE EPRA/NAREIT Supervisory Committee

8.2.1. The FTSE EPRA/NAREIT Global Real Estate Index Supervisory Committee has been established to oversee a consistent approach to the global development of the FTSE EPRA/NAREIT Index Series.

8.2.2. The FTSE EPRA NAREIT Global Real Estate Index Supervisory Committee consists of:

- global real estate representatives,
- the three chairmen of the regional committees,
- A senior representative of FTSE, EPRA and NAREIT.

8.2.3. A Secretary is appointed to support the work of the FTSE EPRA/NAREIT Global Real Estate Index Supervisory Committee. The Secretary will maintain a record of all decisions made by the Committee and prepare agendas, papers and minutes for meetings of the Committee.

8.2.4. The Supervisory Committee will meet semi-annually, and will consist of the three regional committee Chairmen, two global practitioners, and representatives from FTSE, EPRA and NAREIT. The quorum for meetings of the Committee is three members.

8.2.5. The Secretary will convene a special meeting of the appropriate Committee whenever required by the Ground Rules to consider constituent changes to be made between meetings. The Secretary will also convene a special meeting of the relevant Committee at the request of the Chairman or at the request of two or more members of the Committee.

8.2.6. The duties of the Supervisory Committee are:

- To review the appropriateness of the Ground Rules and agree to any changes or exceptions to the Ground Rules.
- To consider changes in global real estate development and the impact on the index series

8.3. Advisory Committees

8.3.1. Three FTSE EPRA/NAREIT regional committees – Americas, Europe/Middle East/Africa and Asia Pacific, undertake the regular and periodic regional reviews of the indices in accordance with the Ground Rules.

- The FTSE EPRA/NAREIT Asia Index Advisory Committee
- The FTSE EPRA/NAREIT EMEA Index Advisory Committee

- The FTSE EPRA/NAREIT North America Advisory Committee
- 8.4.** FTSE is responsible for the day-to-day management of the FTSE EPRA/NAREIT Global Real Estate Index Series and for decisions regarding the interpretation of these ground rules.
- 8.5.** These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the index is compiled or calculated or affect the FTSE EPRA/NAREIT Global Real Estate Index Series in another way. The compiler of the FTSE EPRA/NAREIT Global Real Estate Index Series will submit all decisions regarding supplementing, amending, revising or withdrawing these rules for prior advice to the FTSE EPRA/NAREIT Global Real Estate Index Series Advisory Committees. All decisions will be published immediately. A period of at least three months should pass between the date a proposed change is published and the date this comes into effect, unless the change is not in conflict with the interests of an affected party. No liability can be accepted for any losses resulting from supplementing, amending, revising or withdrawing the Rules for the FTSE EPRA/NAREIT Global Real Estate Index Series.
- 8.6.** The compiler of the FTSE EPRA/NAREIT Global Real Estate Index Series will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the FTSE EPRA/NAREIT Global Real Estate Index Series in accordance with relevant rules. However, the compiler of the FTSE EPRA/NAREIT Global Real Estate Index Series and the FTSE EPRA/NAREIT Global Real Estate Index Series Advisory Committees cannot accept any liability for any inaccuracy in share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments.
- 8.7.** The compiler of the FTSE EPRA/NAREIT Global Real Estate Index Series will submit all operational adjustments, which are not specifically covered in the rules, to the respective EPRA/NAREIT Regional Index Committee for approval.
- 8.8. Appeals against decisions of the Committees**
- 8.8.1.** A constituent or prospective constituent company (or broker or advisor acting on behalf of the company) may appeal against the decisions of the FTSE EPRA/NAREIT Committees on the following grounds:
- a) The Committees acted outside of the Ground Rules for the Management of the FTSE EPRA/NAREIT Global Real Estate Index Series; or
 - b) The Committees, when reaching their decision, failed to take into consideration a substantial and material fact.
 - c) A substantial and material fact is defined as a fact that would have influenced the decision of the Committees if it had been considered.
- 8.8.2.** A request for an appeal must be made in writing to the Secretariat of the FTSE EPRA NAREIT Committees and must be received within six months of the application of the event giving rise to the appeal.
- 8.8.3.** An appeal against a decision by the FTSE EPRA/NAREIT EMEA/Americas/Asia Pacific Regional Committee will be heard by the FTSE EPRA/NAREIT Global Real Estate

Index Supervisory Committee. The decision of the Global Supervisory Committee will be final.

8.9. Appeals Process

- 8.9.1. The Chairman of the regional committee whose decision the appeal is being made against will not vote on the appeal.
- 8.9.2. Company to request an appeal in writing to the secretariat of the Global Supervisory Committee within six months of the event giving rise to the appeal.
- 8.9.3. Letter to provide detail on the reasons for the appeal.
- 8.9.4. Secretariat to circulate the letter to the Global Supervisory Committee members, together with information that was considered by the regional committee at the time of the decision.
- 8.9.5. Secretariat to arrange a meeting or conference call of the Global Supervisory Committee members and invite the company representatives. Meeting on a best endeavours basis to be arranged within one month of receipt of appeal
- 8.9.6. Global Supervisory Committee to hear separate representations from the company and the regional committee.
- 8.9.7. The decision of the Global Supervisory Committee will be sent in writing to the appellant, within one week after the appeal. No further appeal will be allowed by either side.

8.10. Error correction policy

- 8.10.1. The objective is to maintain the FTSE EPRA/NAREIT Global Real Estate Index Series to the highest standards of accuracy and integrity, using reliable data sources and following best practice in statistical and operational procedures.
- 8.10.2. Where material errors occur in data or in calculation procedures, these are corrected promptly and users of the FTSE EPRA/NAREIT Global Real Estate Index Series are notified through appropriate media. However, FTSE and the FTSE EPRA/NAREIT Global Index Advisory Committees are conscious of the risk of damaging the confidence of users through the frequent publication of amendments where trivial statistical errors have occurred that do not materially affect the accuracy of the published Index Series.

8.11. Re-calculations

- 8.11.1. The FTSE EPRA/NAREIT Global Real Estate Index Series are recalculated whenever errors or distortions occur that are deemed to be significant. Users of the Index Series are notified through appropriate media.

8.12. Status of These Ground Rules

- 8.12.1. These Ground Rules are a guide to the policies and procedures applying at the date of publication to the operation and maintenance of the FTSE EPRA/NAREIT Global Real Estate Index Series. They have been prepared and approved by The FTSE

EPRA/NAREIT Global Index Advisory Committees. However, these policies and procedures, and their precise application, are subject to variation and periodic review.

8.12.2. The purpose of publishing this guide is to provide information about the general basis on which decisions relating to the construction and publication of FTSE EPRA/NAREIT Global Real Estate Index Series are currently made.

8.12.3. In cases not covered by these rules, but which require direct action, FTSE will make a decision to the best of its ability and in the spirit of and in accordance with the aim of these rules. The decision will be submitted to the supervisor of the FTSE EPRA/NAREIT Global Real Estate Index Series at the earliest possible opportunity.

Appendices

Appendix 1

FTSE EPRA/NAREIT Global Real Estate Index Series: Classification of Eligible Markets

In principle, companies are allocated to the country in which the company is incorporated and listed at the time of the company's listing.

FTSE EPRA/NAREIT Global Real Estate Index Series

Region	Country	Developed	Emerging
Americas	Argentina		x
	Brazil		x
	Canada	x	
	Chile		x
	Columbia		x
	Mexico		x
	Peru		x
	United States	x	

Region	Country	Developed	Emerging
Asia Pacific	Australia	x	
	China		x
	Hong Kong	x*	
	India		x
	Indonesia		x
	Japan	x	
	Malaysia		x
	New Zealand	x	
	Pakistan		x
	Philippines		x
	Singapore	x	
	South Korea		x**
	Taiwan		x
	Thailand		x

Region	Country	Developed	Emerging
Europe, Middle East & Africa	Austria	x	
	Belgium	x	
	Czech Republic		x
	Denmark	x	
	Egypt		x

Region	Country	Developed	Emerging
	Finland	x	
	France	x	
	Germany	x	
	Greece	x	
	Hungary		x
	Ireland	x	
	Israel	x***	
	Italy	x	
	Luxembourg	x	
	Morocco		x
	Netherlands	x	
	Norway	x	
	Poland (Dec 08)		x
	Portugal	x	
	Russia		x
	South Africa		x
	Spain	x	
	Sweden	x	
	Switzerland	x	
	Turkey		x
	United Kingdom	x	

* China Red Chips will be included in Emerging indices from September 2009.

** South Korea will be included in Developed indices from September 2009.

*** Israel became eligible for inclusion in Developed indices from March 2009.

Appendix 2

FTSE EPRA/NAREIT Global Real Estate Index Series: Index Breakdown

The flagship index for the family is the FTSE EPRA/NAREIT Global Index¹.
Indices marked with ² were renamed to include Developed in March 2009.
The regions breakdown as follows:

Global

The FTSE EPRA/NAREIT Global Real Estate Index Series includes:

- Global Index¹
- Global ex US Index¹

Americas

The FTSE EPRA/NAREIT Americas Series includes:

- Americas¹ *
- North America *
- Canada
- United States *

- Emerging Americas *

Asia

The FTSE EPRA/NAREIT Asian Series includes:

- Asia Pacific¹ *

 - Developed Asia^{2*}
 - Hong Kong *
 - South Korea
 - Japan *

 - Emerging Asia *
- Australia *
 - Singapore
 - New Zealand

EMEA

The FTSE EPRA/NAREIT EMEA Series includes:

- EMEA¹

 - Developed Europe² *
 - Developed Middle East & Africa
 - Euro Zone *
 - Sweden
 - Portugal
 - Poland
 - Netherlands
 - Ireland
 - Germany
 - Finland
- Developed Europe ex UK² *
 - Developed EMEA
 - UK *
 - Switzerland
 - Spain
 - Norway
 - Italy
 - Greece
 - France
 - Denmark

- Belgium/Luxembourg
- Israel¹
- Austria
- Emerging Europe, Middle East & Africa *
- Emerging Europe *
- Emerging Middle East & Africa*

Specialist

The FTSE EPRA/NAREIT Specialist Series includes:

- Investment Focus
 - a) Developed²
 - b) Developed Asia²
 - c) Developed Europe²
 - d) North America
 - e) Australia
 - f) Hong Kong
 - g) Japan
 - h) UK
 - i) United States
- Property Sector
 - a) Developed²
 - b) Developed Asia²
 - c) Developed Europe²
 - d) Eurozone
 - e) North America
 - f) UK
 - g) United States
- Developed Europe (UK restricted)² *
- Developed Europe Liquid 40 ex UK²
- Pure Australia²
- Developed Non-REIT²
- Developed ex Asia Non-REIT²
- Developed ex Europe Non-REIT²
- Developed ex US Non-REIT²
- Developed Asia Non-REIT²
- Developed Europe Non-REIT² *
- UK Non-REIT
- Developed Asia Dividend+² *
- Developed Europe ex UK Dividend+² *
- AIM REITs
- Developed Europe Liquid 40²
- Pure Developed Asia²
- Developed REIT²
- Developed ex Asia REIT²
- Developed ex Europe REIT²
- Developed ex US REIT²
- Developed Asia REIT²
- Developed Europe REIT² *
- UK REIT
- Developed Dividend+² *
- US Dividend+ *
- Developed Asia 33² *

Capped Indices

To serve investors, capped versions of certain indices are calculated, with a weighting cap placed on individual constituents at each review:

- FTSE EPRA/NAREIT Eurozone Capped Index*
- FTSE EPRA/NAREIT Developed Europe Capped Index*²
- FTSE EPRA/NAREIT Developed Europe ex UK Capped Index*²
- FTSE EPRA/NAREIT Developed Europe Liquid 40 Capped Index²
- FTSE EPRA/NAREIT Developed Europe ex UK Liquid 40 Capped Index²

Please see *Appendix 8* for details of the capping methodology.

The FTSE EPRA/NAREIT Global Real Estate Indices which are calculated in real time are marked with an asterisk (*). All other indices are calculated on an end of day basis.

Appendix 3

FTSE EPRA/NAREIT Global Real Estate Index Series: Dividends used in the Total Return Calculation and Dividend Withholding Tax Rates

Dividends, using their ex-dividend dates, are used to calculate the Total Return Indices on the FTSE EPRA/NAREIT Global Real Estate Index Series. The underlying tax rate information is compiled by Datavenue Limited and is available from FTSE (please see the 'Contact Us' section below). All dividends are applied as declared.

The withholding tax rates used in the calculation of the Total Return Indices are those applied to the dividends received by a Luxembourg based UCIT fund (Undertaking for Collective Investment in Transferable Securities) and are compiled by Datavenue Limited.

Appendix 4

FTSE EPRA/NAREIT Global Real Estate Index Series: Closing Prices Used in the Index Calculation

All exchange closing prices are sourced from Reuters.

For American markets, the price used in the FTSE EPRA/NAREIT Global Real Estate Index Series is the Reuters Closing Price disseminated at 21:10hrs (UK time). Due to the way closing prices are calculated and disseminated in the Americas, the official close price is sometimes not available until the morning of the next day.

All times detailed are local except where otherwise stated.

Americas

Country	Price Used
Argentina	Buenos Aires Stock Exchange (BCBA) - Official Closing Price
Brazil	Sao Paulo Stock Exchange (BOVESPA) - Official Closing Price
Canada	TSE Close Price
Chile	Santiago Stock Exchange - Official Closing Price
Colombia	Bolsa De Valores De Colombia - Official Closing Price
Mexico	Bolsa Mexicana De Valores (BMV) - Official Closing Price
Peru	Bolsa De Valores De Lima (BVL) - Official Closing Price
United States	Prices are downloaded from Reuters at 21:10hrs (UK Time). Because NASDAQ, AMEX and the NYSE do not release official closing prices until several hours after 21:10hrs (UK Time), the price used in the index may not match this official close. If the downloaded price is subsequently cancelled, the cancelled price is retained in the index calculation

Asia Pacific

Country	Price Used
Australia	Auction Price (Official Close)
China	Shanghai Stock Exchange - Official Closing Price Shenzhen Stock Exchange - Official Closing Price
Hong Kong	Nominal Price (Official Close)
India	National Stock Exchange of India - Official Closing Price Existing constituents without a National Stock Exchange of India quote will continue to be priced from the Bombay Stock Exchange (Mumbai).
Indonesia	Indonesia Stock Exchange (IDX) - Official Closing Price
Japan	Last Trade (Official Close)
Korea	Korea Exchange - Official Closing Price
Malaysia	Bursa Malaysia - Official Closing Price
New Zealand	Last Trade (Official Close)
Pakistan	Karachi Stock Exchange Ltd - Official Closing Price
Philippines	Philippine Stock Exchange - Official Closing Price
Singapore	Auction Price (Official Close)
Taiwan	Taiwan Stock Exchange (TSEC) - Official Closing Price
Thailand	Stock Exchange of Thailand - Official Closing Price

Europe, Middle East and Africa

Country	Price Used
Austria	Wiener Boerse Auction Price at 17:30hrs.
Belgium/ Luxembourg	Brussels Stock Exchange Last Trade at 17:30hrs. Luxembourg Stock Exchange Closing Price at 15:00hrs. NB: Prices for Luxembourgish constituents may be sourced from the Brussels Stock Exchange where appropriate.

Czech Republic	Prague Stock Exchange (PSX) - Official Closing Price
Denmark	Copenhagen Stock Exchange Closing price at 17:00hrs.
Egypt	Cairo and Alexandria Stock Exchange - Official Closing Price
Finland	Helsinki closing price at 17:30hrs.
France	Closing Auction at 17:35hrs.
Germany	XETRA Closing Auction Price. NOTE: The last trade price on XETRA will be used for those stocks not participating in the closing auction.
Greece	Athens Official Close price at 16:15hrs.
Hungary	Budapest Stock Exchange - Official Closing Price
Ireland	Last trade price at 17:15hrs.
Italy	Italian Stock Exchange closing auction at 17:35 - 17:40.
Israel	Tel Aviv Stock Exchange – Official Closing Price
Morocco	Casablanca Stock Exchange - Official Closing Price
Netherlands	AEX Closing Auction at 17:40hrs.
Norway	Closing auction prices at 16:00 - 16:10.
Poland	Warsaw Stock Exchange - Official Closing Price
Portugal	NYSE Euronext - Official Closing Price
Russia	RTS Stock Exchange - Official Closing Price
South Africa	JSE - Official Closing Price
Spain	Madrid auction price at 17:35hrs.
Sweden	Stockholm closing price at 17:30hrs.
Switzerland	virt-x official close at 17:30 or SWX auction price as appropriate
Turkey	Istanbul Stock Exchange - Official Closing Price
United Kingdom	London Stock Exchange official closing price

Every effort is made by FTSE to ensure that the information contained in this *Appendix 4* is accurate. However, owing to the frequent changes in the close times, types of world stock exchanges, no responsibility or liability can be accepted by FTSE for any errors in this information. Please contact FTSE if you have a query regarding this information.

Appendix 5

FTSE EPRA/NAREIT Global Real Estate Index Series: Foreign Exchange Rates

The foreign exchange rates used in the calculation of the FTSE EPRA/NAREIT Global Real Estate Index Series are the WM/Reuters Closing Spot Rates[®] compiled by The WM Company. The service, which was World in consultation with leading financial market practitioners, sets a daily standard for the foreign exchange rates required for index calculation, investment management and portfolio valuation.

At short intervals before and after 16:00 hrs London time, representative bid and offer rates against the US dollar for some 112 currencies are selected from a wide range of contributing banks and foreign exchange dealers. Anomalous data are screened out, and the median rate is selected for each currency.

The choice of 16:00 hrs London time as the reference time for foreign exchange rates captures a large selection of timely quotes from Continental European contributors to the Reuters system and reflects the peak trading period for the London and New York foreign exchange markets. The rates include contributions on a global basis, making them relevant for valuation purposes in all the world's time zones. In the event that WM/Reuters Closing Spot Rates are not published by the WM Company, the previous day's rates will be used to calculate the FTSE EPRA/NAREIT Global Real Estate Index Series.

The FTSE EPRA/NAREIT Developed Asia 33 Index uses foreign exchange rates received from Reuters at the closing time of the index (09:00 hrs, London time).

Further information on The WM/Reuters Closing Spot Rates[™] service is available from The WM Company, World Markets House, Crewe Toll, Edinburgh, EH4 2PY. Tel: + 44 (0) 131 315 2000.

Appendix 6

FTSE EPRA/NAREIT Global Real Estate Index Series: Calculation schedules

A. Normal schedule

The Index Series are calculated once daily at approximately 21:30 - 22:00 London time, (GMT) shortly after the close of North American securities markets. Selected indices within the series are calculated on a real time basis.

The Index Series are calculated every week day; when one or more of the constituent markets are open. However, on January 1st, the indices may not be disseminated. There is no separate calculation to accommodate the Saturday opening of any market.

Index	OPEN	CLOSE
Global Index*	00.00	21.20
Developed Index**	00.00	21:20
Emerging Index	00.00	21.20
Global ex US Index*	00.00	21.20
Developed ex US Index**	00.00	21:20
Developed Dividend+ Index**	00.00	21:20
Developed ex Middle East and Africa Index	00.00	21.20
Asia Pacific Index*	00.00	10.00
Developed Asia Index**	00.00	09.00
Developed Asia Dividend+ Index**	00.00	09.00
Developed Asia 33 Index**	00.00	09:00
Emerging Asia Pacific Index	00.00	10.00
Australia Index	00.00	07.15
Hong Kong Index	02.00	08.00
Japan Index	00.00	06.40
Americas Index*	13.00	21.20
North America Index	14.30	21.20
Emerging Americas	13.00	21.20
US Index	14.30	21.20
US Dividend+ Index	14.30	21.20
EMEA Index*	07.00	16.30
Developed EMEA*/**	07.45	16.30
Emerging EMEA	07.00	16.00
Europe Index*	08.00	16.30
Developed Europe Index **	08.00	16.30
Developed Europe Capped Index**	08:00	16:30
Developed Europe (UK Restricted) Index**	08.00	16.30
Developed Europe REITs Index**	08:00	16:30
Developed Europe Non-REITs Index**	08:00	16:30
Developed Europe ex UK Index**	08.00	16.30
Developed Europe ex UK Capped Index**	08:00	16:30
Developed Europe ex UK Dividend+ Index**	08.00	16.30
Eurozone Index	08.00	16.30
Eurozone Capped Index	08:00	16:30
Emerging Europe Index	08.00	16.00
Middle East and Africa Index**	07.00	15.40
Emerging Middle East and Africa Index	07.00	15.40

UK Index

08.00

16.30

Notes:

- 1) Times are in UK hours.
 - 2) During real-time calculations, Reuters Spot rates are used in calculating Foreign Exchange rates.
- * Indices launch in March 2009.
- ** Indices are renamed from Global to Developed or have Developed included in the region in March 2009.

Appendix 7
FTSE EPRA/NAREIT Global Real Estate Index Series:
Eligible Markets and Sources of Trading

Americas

Country	Exchange Location	Market Section(s)	Source of Volume Data	Notes
Argentina	Buenos Aires	Official Market	Reuters	
Brazil	São Paulo Rio de Janeiro	Official List Official List	Primark Datastream	Single Counted - Sell side only
Canada	Toronto	Official List	Bloomberg	Single Counted - Sell side only
Chile	Santiago	Official Market	Reuters	
Colombia	Bogota Medellin	Official Market	Reuters	
Mexico	Mexico City	Capital Market	Primark Datastream	Single Counted
Peru	Lima	Official Market	Reuters	Single Counted
United States of America (the) (United States)	New York	American Stock Exchange (AMEX) NASDAQ National Market System New York Stock Exchange	Bloomberg	Single Counted - Sell side only

Asia Pacific

Country	Exchange Location	Market Section(s)	Source of Volume Data	Notes
Australia	Sydney	Australian Stock Exchange (ASX) Main Board	Bloomberg	Single Counted - Sell side only
China	Shanghai Shenzhen	Official Market	Reuters	Single Counted
Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong)	Hong Kong	Total Main Market	Bloomberg	Single Counted - Sell side only
India	Mumbai	Official Market National Stock Exchange	Reuters	
Indonesia	Jakarta	Main Board	Reuters	Single Counted - Sell side only
Japan	Tokyo Osaka	First Section Second Section First Section	Bloomberg	Single Counted - Sell side only
Korea (the Republic of) (Korea)	Seoul	Official Market KOSDAQ	Bloomberg	Single Counted
Malaysia	Kuala Lumpur	Main Board Second Board	Reuters	Single Counted - Sell side only
New Zealand	Wellington	New Zealand Stock Exchange (NZSE) Main Board	Bloomberg	Single Counted - Sell side only

Pakistan	Karachi	Official Market	Reuters	
Philippines	Manila	Main Board	Reuters	Single Counted - Sell side only
Singapore (the Republic of) (Singapore)	Singapore	Main Board SESDAQ	Bloomberg	Single Counted - Sell side only
South Korea	Seoul	Official Market KOSDAQ	Reuters	Single Counted
Taiwan	Taipei	Official Market OTC Market	Reuters	Single Counted
Thailand	Bangkok	Main Board Foreign board	Reuters	Single Counted - Sell side only

Europe, Middle East and Africa

Country	Exchange Location	Market Section(s)	Source of Volume Data	Notes
Austria (the Republic of) (Austria)	Vienna	Official Market (Malice Notierung)	Bloomberg	Single Counted - Sell side only
Belgium/ Luxembourg	Brussels	First Market (Premier Marché).	Bloomberg	Single Counted - Sell side only
	Luxembourg	Official Stock Exchange (Marché officiel de la Bourse de Luxembourg)		
Czech Republic	Prague	Main Market Secondary Market	Reuters	Single Counted
Denmark (the Kingdom of) (Denmark)	Copenhagen	Official List	Bloomberg	Single Counted
Egypt	Cairo	Main Market	Reuters	Single Counted
Finland	Helsinki	Main List	Bloomberg	Single Counted - Sell side only
France (the French Republic) (France)	Paris (Le Marché National)	First Market (Premier Marché)	Bloomberg	Single Counted - Sell side only
Germany (the Federal Republic of) (Germany)	Deutsche Börse (all exchanges)	Official Market (Amtlicher Handel) Regulated Market (Geregelter Markt)	Bloomberg	Single Counted - Sell side only counted. XETRA trades are also single counted
Greece (the Hellenic Republic)	Athens	Main Market Parallel Market	Bloomberg	Single Counted - Sell side only
Hungary	Budapest	Official Market	Reuters	Single Counted
Ireland	Dublin	Full List	Other Source	
Israel	Tel Aviv	Official Market	Reuters	Single Counted
Italy (the Italian Republic) (Italy)	Milan	Official List (Listino della Borsa)	Bloomberg	Double Counted
Morocco	Casablanca	Official Market	Reuters	Single Counted
Netherlands	Amsterdam	Official Market	Bloomberg	Single Counted - Sell side only
Norway	Oslo	Main List	Bloomberg	Single Counted - Sell side only
Poland	Warsaw	Official Market	Reuters	Single Counted
Portugal (the Portuguese Republic) (Portugal)	Lisbon	Market with Official Quotations	Bloomberg	Single Counted - Sell side only

Russia	Moscow	Russian Trading System – Classic Market	Reuters	Single Counted
South Africa	Johannesburg	JSE	Primark Datastream	Single Counted - Sell side only
Spain (the Kingdom of) (Spain)	Madrid	First Market (Primer Mercado)	Bloomberg	Single Counted - Sell side only
Sweden	Stockholm	A -list O – list	Bloomberg	Single Counted - Sell side only
Switzerland (the Swiss Confederation) (Switzerland)	Swiss Exchange	Main Market	Bloomberg	Single Counted - Sell side only
Turkey	Istanbul	Official Market	Reuters	Single Counted
United Kingdom (of Great Britain and Northern Ireland, the) (United Kingdom) & Channel Islands	London	Official List	Bloomberg	Adjustment to 75% of total for stocks trading on SETS and SETSmm and to 50% for those that trade on SEAQ.

Every effort is made by FTSE to ensure that the information contained in this *Appendix 7* is accurate. However no responsibility or liability can be accepted by FTSE for any errors in this information. Please contact FTSE if you have a query regarding this information.

Appendix 8
FTSE EPRA/NAREIT Global Real Estate Index Series:
Capping Methodology for the capped indices (see Appendix 2)

Capping is applied to the constituents of an Index by the following methodology:

The constituents in the index are ranked by investible market capitalisation and the weight for each constituent in the Index is determined.

STAGE 1

Any constituents whose weights are greater than 10% are capped at 10%. The weights of all lower ranking constituents are increased correspondingly. The weights of lower ranking constituents are then checked and if they exceed 10% they are also capped at 10%. This process is repeated until no constituent weight exceeds 10%.

STAGE 2

Following the application of Stage 1, if the total index weight of those constituents whose individual weights exceed 5% is greater than 40% in aggregate, the procedure moves onto Stage 3 below. Otherwise no further action is required.

STAGE 3

a) If more than one stock is capped at 10%, then weights of all subsequent constituents previously capped at 10% are changed in accordance with the rules detailed below. For example, if the second largest stock is capped at 10% its weight will be reduced to 9% as given in b) below. The process is then continued from the relevant point in the steps below. Thus, if it is necessary to apply the provisions of Stage 3, only one constituent will have a 10% weight in the index.

b) If the weight of the second largest constituent is greater than 9% the constituent's weight is capped at 9% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.

c) If the weight of the third largest constituent is greater than 8% the constituent's weight is capped at 8% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.

d) If the weight of the fourth largest constituent is greater than 7% the constituent's weight is capped at 7% and the weights of the lower ranking constituents are increased correspondingly. Following this procedure if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.

e) If the weight of the fifth largest constituent is greater than 6% the constituent's weight is capped at 6% and the weights of the lower ranking constituents are increased correspondingly. Following these procedures if the total index weight of those constituents whose individual weights exceed 5%, is greater than 40% the procedure moves onto the next stage below.

f) If the weights of the sixth largest constituent and any lower ranking constituents are greater than 4% those constituents' weights are capped at 4% and the weights of lower ranking constituents are increased correspondingly.

STAGE 4

Following the application of Stage 3, the weights of each constituent are checked. If the total index weight of those constituents whose individual weights exceed 5% is greater than 40% in aggregate, then further capping is required. Firstly if the largest constituents weight has risen above 10% the weight is again capped at 10% and the weights of other constituents are adjusted accordingly. Then Stage 3 is repeated.

Appendix 9
FTSE EPRA/NAREIT Global Real Estate Index Series:
EBITDA screening

REESA Approved Financial Statements Model (September 2007)

EBITDA Screening
Property Operations Income and Expense:
Gross rental revenue
Interest on finance leases
Service cost reimbursements from tenants
Reimbursable service costs
Property operating expenses
Ground rent expense
Share of net property income from unconsolidated affiliates, (Note A)
Net Property Income (NPI), (Note B)
Other Operating Income and Expense (OOIE):
Gains/losses on sales of properties World/acquired for sale, (Note C)
Other operating revenue, including third party fees, (Note D)
Other operating expenses, (Note E)
G&A
Dividend income
Share of OOIE of unconsolidated affiliates, (Note A)
Total Other Operating Income and Expense
Income From Operations before Finance Costs and Taxes (EBITDA)

Note A – The model accommodates the possibility that the proportionate method of consolidation may not be available in the future under IFRS. If this is indeed the case, to report a consolidated measurement of the important industry metrics, Net Property Income and Income from Operations, the model statement reports the company's share of these same metrics generated by unconsolidated affiliates in the appropriate sections of the statement.

If the proportionate share method of consolidation is available, the individual line items will reflect the proportionate share of results of unconsolidated affiliates for those that qualify for the proportionate method of consolidation.

In addition, for significant unconsolidated affiliates that may not be reported under the proportionate share method of consolidation, the model allows the share of these significant affiliates to be reported in the appropriate sections of the statement, at management's discretion.

Note B – Reporting Net Property Income would be optional

Note C – Where gains/losses on the sales of properties World/acquired for sale are significant, the statement should report sales proceeds and cost of sales separately on the face of the statement. An example of this type of gain/ loss would result from significant merchant building sales.

Note D – Examples would include third party management, development and leasing fees.

Note E – This would include operating expenses not directly associated with operating properties.

Appendix 10

FTSE EPRA/NAREIT Global Real Estate Index Series: Eligibility, Qualification Criteria, Periodic Review and Changes to Constituent Companies of Specialist Indices.

Eligible securities for Specialist Indices

- I. In addition to the regional and country indices, FTSE has expanded the EPRA/NAREIT series to include new and innovative benchmarks. These indices and their qualification criteria are listed below.
- II. FTSE EPRA/NAREIT Pure Developed Asia and FTSE EPRA/NAREIT Pure Australia Indices**
 - I. The underlying universe is the FTSE EPRA/NAREIT Global Real Estate Series.
 - II. The FTSE EPRA/NAREIT Pure Asia Index contains Asian companies who have derived, in the previous full financial year, at least 60 percent of its EBITDA from relevant real estate activities in Asia. The Pure Australia Index contains Australian companies that are included in the FTSE EPRA/NAREIT Pure Asia Index.
- III. FTSE EPRA/NAREIT Developed Europe Liquid 40 and FTSE EPRA/NAREIT Developed Europe Liquid 40 ex UK Indices**
 - I. The underlying universe for the FTSE EPRA/NAREIT Developed Europe Liquid 40 Index and the FTSE EPRA/NAREIT Developed Europe Liquid 40 ex UK Index is the FTSE EPRA/NAREIT Developed Europe Index. The rules for these two indices are identical to the standard rules of the FTSE EPRA/NAREIT Global Real Estate Index Series. Both indices consist of the 40 stocks with the highest volume traded and/or market capitalisation within the FTSE EPRA/NAREIT Developed Europe Index.
- IV. FTSE EPRA/NAREIT Developed Europe (UK Restricted) Index**
 - I. The FTSE EPRA/NAREIT Developed Europe (UK Restricted) Index is derived from the FTSE EPRA/NAREIT Developed Europe Index. The weight of the UK companies is adjusted, according to the UK's GDP compared against Europe's GDP. This ratio is applied to the market capitalisation of the UK companies in the index. The calculation and composition is identical to the FTSE EPRA/NAREIT Developed Europe Index and, as a result, it has the same constituents. Further details on the ratio can be found in *Appendix 10.XII.IV*.
- V. FTSE EPRA/NAREIT Developed REIT & Non-REIT Indices**
 - I. The rules for this index series are identical to the standard rules of the FTSE EPRA/NAREIT Global Real Estate Index Series. Using the same data as the FTSE EPRA/NAREIT Asia-Pacific, EMEA and North American Committees, FTSE will make the following selection to determine the stocks that will make up the FTSE EPRA/NAREIT Developed REIT & Non-REIT Index Series after the current review:
 - II. FTSE EPRA/NAREIT Developed REIT Index Series:

- a) Recognised REIT legislation must be in operation in the country in which the constituent is domiciled.
 - b) The FTSE EPRA/NAREIT Developed REIT Index consists of all constituents qualifying for REIT status in their country of domicile according to their latest published annual accounts.
- III. FTSE EPRA/NAREIT Developed Non-REIT Index series:
- a) Recognised REIT legislation does not exist in the country in which the constituent is domiciled.
 - b) The FTSE EPRA/NAREIT Developed Non-REIT Index consists of all constituents that do not qualify for REIT status according to their latest published annual accounts, or the constituent makes a formal announcement that it fails to comply with REIT legislation in its country of domicile.

VI. FTSE EPRA/NAREIT Investment Focus Index Series

- I. An Investment Focus Index Series has been introduced to enhance the existing FTSE EPRA/NAREIT Global Real Estate Index Series and broaden the market approach to the industry. The idea behind the Investment Focus Index Series is to distinguish the cohorts of listed real estate equities. Each constituent of the FTSE EPRA/NAREIT Developed Real Estate Index Series will be classified as Rental or Non-Rental. The annual classification by Investment Focus will be based on revenue sources as disclosed in the latest published financial statements. The Investment Focus classification is implemented as follows:
 - II. A company will be classified as Rental if the revenue from properties is greater than or equal to 70% of the total revenue.
 - III. A company will be classified as Non-Rental if the revenue from properties is less than 70% of the total revenue.

VII. FTSE EPRA/NAREIT Global Sectors Index Series

- I. The underlying universe for the Property Sector Index Series is the FTSE EPRA/NAREIT Global Real Estate Index Series. The idea behind the Property Sectors Index Series is to distinguish the cohorts of listed real estate equities by separating the existing constituents into ten distinct Property Sectors based on gross invested book assets. The purpose is to provide investors with a mechanism to manage their exposure to different risk-reward profiles in relation to the different aspects of the real estate business, including office buildings, retail centres, industrial facilities, lodging/resorts, residential buildings and other types of properties.
- II. The classification by Property Sector will be based on the gross invested book assets as disclosed in the latest published financial statement. Each constituent of the FTSE EPRA/NAREIT Developed Real Estate Index Series will be classified in one of the Property Sectors listed below:
- III. A company is classified in one of the following Property Sectors:

- a) Healthcare (N720)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in health care properties.
- b) Self Storage (N730)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in self storage properties.
- c) Industrial (N741)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in industrial warehouses and distribution facilities.
- d) Office (N742)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in offices.
- e) Industrial/Office Mixed (N743)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) that are not members of property sectors Industrial (N741) or Office (N742) but have a combined total of 75% or more of their gross invested book assets invested in industrial warehouses, distribution facilities and offices.
- f) Residential (N750)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in residential home properties. It includes apartment buildings and residential communities.
- g) Retail (N760)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in retail properties. It includes malls, neighbourhood and community shopping centres and factory outlets.
- h) Lodging/Resorts (N770)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in lodging & resort properties.
- i) Specialty (N780)
Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where 75% or more of its gross invested book assets are invested in a single property sector not classified elsewhere.
- j) Diversified (N710)

Real estate investment trusts or corporations (REITs) or listed property trusts (LPTs) where less than 75% of its gross invested book assets are invested in one of the above property sectors.

VIII. FTSE EPRA/NAREIT Developed Dividend+ Index Series

- I. The FTSE EPRA/NAREIT Developed Dividend+ Index Series is designed to measure the performance of higher yielding stocks within the universe of the FTSE EPRA/NAREIT Developed Real Estate Index Series.
- II. The FTSE EPRA/NAREIT Developed Dividend+ Index Series was created to allow investors to capture the long-term effect of higher compounding returns and benefit from the lower correlations to traditional market cap weighted indices.

IX. FTSE EPRA/NAREIT Developed Asia 33 Index

- I. The FTSE EPRA/NAREIT Developed Asia 33 Index has been designed to represent the performance of the largest and most liquid real estate companies from Australia, Hong Kong, Singapore, New Zealand and Japan.
- II. The FTSE EPRA/NAREIT Developed Asia 33 Index is a tradable index, covering the top 33 constituents of developed countries in the Asia Pacific region by market capitalisation with a selection process that firstly includes companies listed as REITs. Where the total number of constituents is less than 33 then Non-REITs are added.

Qualification Criteria & Periodic Review of Constituents of Specialist Indices

X. FTSE EPRA/NAREIT Pure Developed Asia and FTSE EPRA/NAREIT Pure Australia Indices

- I. The indices will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The quarterly reviews will use data based on the close of trading on the first Friday of March, June, September and December.
- III. The quarterly reviews will be implemented in line with the FTSE EPRA/NAREIT Global Real Estate Index Series at the close of business on the third Friday of March, June, September and December.

XI. FTSE EPRA/NAREIT Developed Europe Liquid 40 and FTSE EPRA/NAREIT Developed Europe Liquid 40 ex UK Indices

- I. The indices will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The quarterly reviews will use data based on the close of trading on the first Friday of March, June, September and December.
- III. The quarterly reviews will be implemented in line with the FTSE EPRA/NAREIT Global Real Estate Index Series at the close of business on the third Friday of March, June, September and December.

- IV. At review the universe for both indices will consist of constituents from the FTSE EPRA/NAREIT Developed Europe series. The FTSE EPRA/NAREIT Developed Europe Liquid 40 Index consists of the 40 stocks with the highest turnover and/or market capitalisation within the FTSE EPRA/NAREIT Developed Europe index. Using the same data as reviewed by the FTSE EPRA/NAREIT EMEA Index Advisory Committee, the compiler (FTSE) will make the following selection to determine the 40 stocks that will make up the index after the current review:
- a) All companies included in the FTSE EPRA/NAREIT Developed Europe index as a result of the current review will be ranked according to both trading volume and market capitalisation (after the application of any investability weightings). Trading volume is based on the two quarters preceding the review.
 - b) Constituents are selected as the highest ranking in terms of volume traded, followed by the highest ranking in terms of market capitalisation, then the second ranking in terms of volume traded, followed by the second ranking in terms of market capitalisation, et cetera until 40 securities are selected.
 - c) Current index constituents that are not included in the selection under (b) are only deleted from the index if their highest rank (either volume traded or market capitalisation) is more than ten places lower than the last selected stock.
 - d) Companies that are removed from the index are not eligible for inclusion during the following quarterly review. Companies that are newly included in the index may not be deleted from the index during the following quarterly review.
 - e) The resulting constituents from the review methodology stated above will comprise the FTSE EPRA/NAREIT Developed Europe Liquid 40 Index. At the time of the review a further screen is applied that excludes all UK listed companies. The remaining constituents will comprise the FTSE EPRA/NAREIT Developed Europe Liquid 40 ex UK Index.

XII. FTSE EPRA/NAREIT Developed Europe (UK Restricted) Index

- I. The index will be reviewed annually in June as part of the quarterly FTSE EPRA/NAREIT Developed Europe series review.
- II. The annual review will use data based on the close of trading on the first Friday of June.
- III. The annual review will be implemented in line with the FTSE EPRA/NAREIT Developed Europe series at the close of business on the third Friday of June.
- IV. The FTSE EPRA/NAREIT Developed Europe (UK Restricted) Index is derived from the FTSE EPRA/NAREIT Developed Europe Index. At annual review the weight of the UK companies is adjusted, according to the ratio of the UK's GDP divided by Europe's GDP. This ratio is applied to the full market capitalisation of the UK companies in the index. This capping factor/ratio is supplied annually by EPRA. The GDP figures are published in the annual OECD Main Economic Indicators and published on the internet site <http://www.sourceOECD.org>. The review process uses the previous calendar year-end GDP figures and previous calendar year-end exchange rates.

XIII. FTSE EPRA/NAREIT Developed REIT & Non-REIT Indices

- I. The indices will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The quarterly reviews will use data based on the close of trading on the first Friday of March, June, September and December.
- III. The quarterly reviews will be implemented in line with the FTSE EPRA/NAREIT Global Real Estate Index Series at the close of business on the third Friday of March, June, September and December.
- IV. The FTSE EPRA/NAREIT Developed REIT & Non-REIT Indices are derived from the FTSE EPRA/NAREIT Global Real Estate Index Series. Hence, at the quarterly review the series are adjusted to represent the changes implemented to the FTSE EPRA/NAREIT Global Real Estate Index Series. Furthermore, each constituent is assigned a REIT or Non-REIT status making it a member of either index. FTSE, with the assistance of EPRA and NAREIT, screens all stocks and assigns the relevant classification on a quarterly basis (see *Appendix 10.V*).

XIV. FTSE EPRA/NAREIT Investment Focus Index Series

- I. The indices will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The quarterly reviews will use data based on the close of trading on the first Friday of March, June, September and December.
- III. The quarterly reviews will be implemented in line with the FTSE EPRA/NAREIT Global Real Estate Index Series at the close of business on the third Friday of March, June, September and December.
- IV. The FTSE EPRA/NAREIT Investment Focus Indices are derived from the FTSE EPRA/NAREIT Global Real Estate Index Series. Hence, at the quarterly review the series is adjusted to represent the changes made to the FTSE EPRA/NAREIT Global Real Estate Index Series. Furthermore, each constituent will be classified as Rental or Non-Rental. EPRA screens all stocks and assigns the relevant classification as detailed in *Appendix 10.VI*. A company's Investment Focus classification will be reviewed on an annual basis according to its latest published annual accounts and implemented at the next quarterly review.

XV. FTSE EPRA/NAREIT Global Sectors Index Series

- I. The indices will be reviewed quarterly in March, June, September and December as part of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The quarterly reviews will use data based on the close of trading on the first Friday of March, June, September and December.
- III. The quarterly reviews will be implemented in line with the FTSE EPRA/NAREIT Global Real Estate Index Series at the close of business on the third Friday of March, June, September and December.
- IV. The FTSE EPRA/NAREIT Global Sector Indices are derived from the FTSE EPRA/NAREIT Global Real Estate Index Series. Hence, at the quarterly review the

series are adjusted to represent the changes made to the FTSE EPRA/NAREIT Global Real Estate Index Series. A company's Property Sector classification will be reviewed on an annual basis according to its latest published annual accounts and implemented at the next quarterly review. FTSE, with the assistance of EPRA and NAREIT, screens all stocks and assigns the relevant classification as detailed in *Appendix 10.VII*.

XVI. FTSE EPRA/NAREIT Developed Dividend+ Index Series

- I. The indices will be reviewed on an annual basis in September in line with the quarterly review of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- II. The annual reviews will use data based on the last working day of August, taking into account constituent changes in the September quarterly review of the FTSE EPRA/NAREIT Global Real Estate Index Series.
- III. The annual review will be implemented in September after the close of trading on the third Friday, in line with the FTSE EPRA/NAREIT Global Real Estate Index Series.
- IV. At the time of each review, constituents of the FTSE EPRA/NAREIT Global Real Estate Index Series that have available a forecast/estimate one-year dividend yield (see *Appendix 10.XVI.VI*) of two percent or greater are eligible for inclusion into the Dividend+ Index Series. If a forecast/estimate one-year dividend yield is not available, FTSE's historical dividend yield data are used.
- V. The FTSE EPRA/NAREIT Dividend+ Indices will not have a fixed number of constituents.
- VI. Forecast/estimate one year dividend yield data are sourced from I/B/E/S. For the review, universe constituents that do not have available this information, FTSE's historical dividend yield data are used. Dividend yields are calculated by dividing the one-year dividends per share forecast/estimates by the underlying FTSE stock price at the review data cut-off date.

XVII. FTSE EPRA/NAREIT Developed Asia 33 Index

- I. The FTSE EPRA/NAREIT Developed Asia 33 Index will be reviewed semi- annually in June and December.
- II. The Index constituents will be compiled using data after the close of business on the last working day of May and November taking into account any changes that would be implemented at the semi annual review.
- III. The index review would be implemented in line with the FTSE EPRA/NAREIT Global Index Series, i.e. after the close of business on the third Friday of each periodic review.
- IV. At review the eligible stocks are ranked by their investable market capitalisation (after free float). Any company with REIT status which has an investable market capitalisation of greater or equal to 0.40% of the FTSE EPRA/NAREIT Developed Asia Index will be included into the index until 33 constituents have been selected. If no more REITs satisfy the size rule Non-REITs are ranked by investable market

capitalisation and the next highest company is added until 33 constituents are selected.

- V. To provide stability and reduce turnover and costs at review a buffer of 5 stocks either side of the 33 cut-off is implemented.
- a) A company will be inserted at the periodic review if it rises above the 28th position, when eligible companies are ranked by investable market capitalisation.
 - b) A company will be deleted at the periodic review if it falls below the 38th position, when eligible companies are ranked by investable market capitalisation.
- VI. At review a constant number of constituents will be maintained. Where a greater number of companies qualify to be inserted in the index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the semi annual review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the Index will be inserted to match the number of companies being deleted at the semi annual review.

The index will be capped at review, with no stock having a weight greater than 10 per cent of the index and no country greater than 40 per cent of the index. The capping will be calculated using the third Friday's closing prices, with the constituent shares and investability weightings from the start of trading on the review implementation date (i.e. the next working day following the third Friday).

Changes to Constituent Companies of Specialist Indices

XVIII. FTSE EPRA/NAREIT Pure Developed Asia and FTSE EPRA/NAREIT Pure Australia Indices

- I. Additions into the index series will be applied at the first day of trading of the eligible stock.
- II. Intra-review changes will be in-line with the underlying FTSE EPRA/NAREIT Developed Asia Index series. A constituent will be removed from the FTSE EPRA/NAREIT Pure Developed Asia and FTSE EPRA/NAREIT Pure Australia indices if it is also removed from the underlying FTSE EPRA/NAREIT Developed Asia Index Series.
- III. If a constituent is acquired by a non-constituent, the constituent will be removed from the indices.

XIX. FTSE EPRA/NAREIT Developed Europe Liquid 40 and FTSE EPRA/NAREIT Developed Europe Liquid 40 ex UK Indices

- I. If, due to a corporate action, the number of constituents deviates from 40, the index is only rebalanced at the quarterly review and not at the time of the corporate action. Hence additions into the indices will only be applied at the quarterly review since the number of constituents is not fixed at 40 intra review.
- II. Intra-review changes will be in-line with the underlying FTSE EPRA/NAREIT Developed Europe Index. A constituent will be removed from the indices if it is also removed from the underlying FTSE EPRA/NAREIT Developed Europe Index.

XX. FTSE EPRA/NAREIT Developed Europe (UK Restricted) Index

- I. Changes and additions into the index series will be applied in-line with the FTSE EPRA/NAREIT Europe Index series.
- II. A constituent will be removed from the FTSE EPRA/NAREIT Developed Europe (UK restricted) Index if it is also removed from the underlying FTSE EPRA/NAREIT Developed Europe Index.
- III. If a constituent is acquired by a non-constituent, the constituent will be removed from the FTSE EPRA/NAREIT Developed Europe (UK restricted) Index.
- IV. Where two index constituents merge, or one index constituent is acquired by another constituent, the factor that is applied to the investable market capitalisation is adjusted so that the new entity remains the same weight within the index as the combined remerged index weights. If an index constituent has a complex reorganisation or de-merger, the newly spun-off company will remain eligible for inclusion into the index as long as it remains a constituent in the FTSE EPRA/NAREIT Developed Europe Index. The new spun-off company will retain the same factor as its parent company until the next annual review.

XXI. FTSE EPRA/NAREIT Developed REIT & Non-REIT Indices

- I. In the case of an initial public offering, when the REIT status of a constituent is unknown, the constituent will enter the FTSE EPRA/NAREIT Developed Non-REIT Index unless:
 - a) The constituent makes a formal announcement that it opts, or complies with, REIT legislation in its country of domicile.
 - b) Or, the constituent qualifies for REIT status in its latest published set of annual accounts.

Otherwise the stock will enter the FTSE EPRA/NAREIT Developed REIT Index.

- II. Intra-review changes will be in line with the underlying FTSE EPRA/NAREIT Global Real Estate Index Series. A constituent will be removed from the FTSE EPRA/NAREIT Developed REIT & Non-REIT Indices if it is also removed from the underlying FTSE EPRA/NAREIT Developed Index.
- III. Classification changes:

- a) Changes to the classification of a company will be advised by FTSE and the necessary adjustments will be made at the same time that the constituent changes are implemented.
- b) Where a constituent is the subject of a merger, restructure or complex takeover which results in a constituent (or part of a constituent) being absorbed by another constituent, the REIT status of the resulting constituent(s) will be reviewed by FTSE.
- c) Any adjustment resulting from a change in a company's classification will be implemented at the same time that any relevant constituent changes are implemented in the Index.

XXII. FTSE EPRA/NAREIT Investment Focus Index Series

- I. Additions into the index series will be applied in-line with the FTSE EPRA/NAREIT Developed Index.
- II. Intra-review changes will be in line with the underlying FTSE EPRA/NAREIT Global Real Estate Index Series. A constituent will be removed from the FTSE EPRA/NAREIT Investment Focus Index Series if it is also removed from the underlying FTSE EPRA/NAREIT Developed Index.
- III. Classification changes:
 - a) Changes to the classification (Rental/Non-Rental) of a company will be advised by FTSE and the necessary adjustments will be made at the same time that the constituent changes are implemented.
 - b) Where a constituent is the subject of a merger, restructure or complex takeover which results in a constituent (or part of a constituent) being absorbed by another constituent, the Rental/Non-Rental classification of the resulting constituent(s) will be reviewed by FTSE.
 - c) Any adjustment resulting from a change in a company's classification will be implemented at the same time that any relevant constituent changes are implemented in the Index.

XXIII. FTSE EPRA/NAREIT Global Sector Index Series

- I. Additions into the Index Series will be applied in-line with the FTSE EPRA/NAREIT Developed Index.
- II. Intra-review changes will be in line with the underlying FTSE EPRA/NAREIT Developed Index. A constituent will be removed from the FTSE EPRA/NAREIT Global Sector Index Series if it is also removed from the underlying FTSE EPRA/NAREIT Developed Index.
- III. Classification changes

- a) Changes to the classification of a company will be advised by FTSE and the necessary adjustments will be made at the same time that the constituent changes are implemented.
- b) Where a constituent is the subject of a merger, restructure or complex takeover which results in a constituent (or part of a constituent) being absorbed by another constituent, the industry classification of the resulting constituent(s) will be reviewed by FTSE.
- c) Any adjustment resulting from a change in a company's classification will be implemented at the same time that any relevant constituent changes are implemented in the Index.

XXIV. FTSE EPRA/NAREIT Developed Dividend+ Index Series

- I. Additions into the index series will only be applied at the annual review in September.
- II. Intra-review deletions will be in line with the underlying FTSE EPRA/NAREIT Global Index Series. A constituent will be removed from the FTSE EPRA/NAREIT Developed Dividend+ Index Series if it is also removed from the underlying FTSE EPRA/NAREIT Developed Index Series.

XXV. FTSE EPRA/NAREIT Developed Asia 33 Index

- I. When a constituent is added to the FTSE EPRA/NAREIT Global Index Series, it will be considered for inclusion at the next semi annual review. However, a fast entry rule has been put in place to capture any substantial IPOs.
- II. A new issue will be included intra review if the company has a REIT status and is equal or greater than the 10th position company in the index, when companies are ranked by investable market capitalisation. The addition of a new security will be implemented after the close of business on the first day of trading and the index will need to be re-capped.
- III. If a constituent of the underlying universe is removed, the constituent will be removed from the Index, where applicable. Where a constituent is removed from the index, it will not be replaced until the next periodic review.
- IV. If an index constituent has a complex reorganisation or demerger, the newly spun-off company will not be considered for inclusion in the index unless it remains part of the eligible universe and its investable market capitalisation is greater than the smallest index constituent. If it is eligible for inclusion, the index may have more than 33 constituents until the next semi annual review.
- V. Where two index constituents merge or one Index constituent is acquired by another constituent, a vacancy will be created. The vacancy will not be filled and the index will remain with less than 33 constituents until the next semi annual review. If an index constituent acquires or merges with a non-constituent, the new entity will remain in the index. If an existing constituent is acquired by a non-constituent, the

newly created non-constituent will be considered for entry only if it meets all the eligibility criteria.

XXVI. FTSE EPRA/NAREIT AIM Index

- I. Securities in the FTSE EPRA NAREIT AIM Index will be tested for liquidity separate to the rest of the Index Series by calculating its velocity trading per month. The velocity trade is calculated by summing each month's daily volumes traded adjusted for the effect of corporate events where appropriate and dividing it by the free float adjusted shares in issue on offer on the last day of the month.
 - a) To be eligible for inclusion, non-constituent securities must trade at least 0.25% of their shares in issue (after the application of any free float weightings) based on their velocity trade per month for at least ten of the twelve months prior to the annual review in December.
 - b) For existing constituents, securities must trade at least 0.20% of its shares in issue (after the application of any free float weightings) based on its velocity trade per month for at least eight of the twelve months prior to the annual review in December.
 - c) A security that is excluded because it fails the liquidity requirement will be excluded from the FTSE EPRA NAREIT AIM Index until the next periodic review.

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